

TFFR MEMBER HANDBOOK



**NORTH DAKOTA
RETIREMENT AND
INVESTMENT OFFICE**

*Teachers' Fund for Retirement
State Investment Board*



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The TFFR Member Handbook is printed and distributed by the ND Retirement and Investment Office (RIO) to provide you with a quick reference source for questions regarding TFFR. This booklet is not intended to encompass all aspects of TFFR. It is updated to reflect changes made to the plan by the 2005 Legislature. Detailed information can be obtained by contacting RIO. This publication can be made available in alternative formats.

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Teachers' Fund For Retirement

Mission Statement

The mission of TFFR, a trust fund, is to advocate for, develop, and administer a comprehensive retirement program for all trust fund members within the resources available.

Goals

- To provide a replacement income equal to 60% of the final average salary of a career employee who has 30 or more years of credited service.
- To provide ad hoc biennial benefit increases and 2% annual benefit increases to retired members and beneficiaries to provide income protection and assist retirees in accessing affordable health insurance.
- To continue providing statewide preretirement planning services and benefits counseling to members.

August 2005

Dear TFFR Member:

Whether you are a new teacher, a mid career educator, or a seasoned veteran, TFFR is here for you. As you go about your career, TFFR is behind the scenes – answering your questions, safeguarding your benefits, and administering a financially sound retirement plan – so that when it comes time for you to retire, you can enjoy your retirement years.

Please review the 2005 edition of the TFFR Member Handbook. It summarizes the benefits available to you and your beneficiary(ies) in the form of retirement, disability, and death benefits. You can obtain additional information from our website, newsletters, brochures, outreach programs, and personal consultations with retirement counselors. We hope that you will find the information helpful in your retirement planning.

TFFR has been helping North Dakota teachers prepare for the future for over 90 years. Our purpose has always been to provide adequate and equitable retirement benefits to our state's educators.

On behalf of the TFFR Board of Trustees and RIO administrative staff, we pledge to you our continued commitment to lifetime security and service for North Dakota's public school teachers.

Sincerely,



Steve Cochran, CFA
Executive Director/CIO



Fay Kopp, CRA
*Deputy Executive Director-
Retirement Officer*



TFFR BOARD OF TRUSTEES

The TFFR Board of Trustees is responsible for administering the TFFR retirement program. The Board has the authority to establish investment policy; arrange for actuarial and medical consultants; pay benefits and consultant fees; submit proposed legislative changes; and determine appropriate levels of service to TFFR members. The TFFR program is administered by the Retirement and Investment Office (RIO).

The TFFR Board consists of the state treasurer, state superintendent of public instruction, and five members appointed by the Governor. Members are appointed for five-year terms and include one active school administrator, two active teachers, and two retired members.

Current TFFR Board Members

Mark Sanford, President, Active Administrator

Barbara Evanson, Vice President, Active Teacher

Vacant, Active Teacher

Clarence Corneil, Retired Member

Lowell Latimer, Retired Member

Kelly Schmidt, State Treasurer

Wayne Sanstead, State Superintendent

Four TFFR Board members also serve on the State Investment Board (SIB) and three serve on the TFFR Benefits/Services Committee.

STATE INVESTMENT BOARD

The State Investment Board (SIB) is responsible for setting policies and procedures guiding the investment of nearly \$1.4 billion in assets for TFFR. The funds are invested following the “Prudent Investor Rule” and must be invested exclusively for the benefit of TFFR members. The investment program is administered by the Retirement and Investment Office (RIO). The SIB is also the administrative board for RIO.

Current SIB Members:

Jack Dalrymple, Lt. Governor, Chair

Jim Poolman, State Insurance Commissioner

Kelly Schmidt, State Treasurer

Sandy Blunt, Workforce Safety and Insurance (WSI)
Executive Director

Gary Preszler, University and School Land
Commissioner

Mark Sanford, TFFR Trustee

Barb Evanson, TFFR Trustee

Clarence Corneil, TFFR Trustee

Howard Sage, PERS Trustee, Vice Chair

Ron Leingang, PERS Trustee

David Gunkel, PERS Trustee



RETIREMENT & INVESTMENT OFFICE

The North Dakota Retirement and Investment Office (RIO) exists in order that:

- SIB clients receive cost-effective investment services directed at meeting their written financial goals under the Prudent Investor Rule.
- SIB clients receive investment returns consistent with their written investment policies and market variables.
- Potential SIB clients have access to information regarding the investment services provided by the SIB.
- TFFR benefit recipients receive their retirement benefits in a cost-effective and timely manner.
- TFFR members have access to information that will allow them to become knowledgeable about the issues and process of retirement.
- SIB clients and TFFR benefit recipients receive satisfactory services from the boards and staff of the office.

TYPE OF SYSTEM

TFFR is a qualified defined benefit public pension plan covered under Section 401(a) of the Internal Revenue Code (IRC). TFFR must be administered in compliance with IRC regulations, in particular with Section 415 maximum benefit limitations; Section 401(a)(9) minimum distribution requirements; Section 401(a)(17) maximum compensation limit; and Section 401(a)(31) rollovers and transfers.

North Dakota Century Code (NDCC) Chapter 15-39.1 contains the actual language governing the Fund. The NDCC, along with Title 82 of the North Dakota Administrative Code (NDAC), are summarized in this handbook. If differences exist between the information in this handbook and state or federal law, the laws shall govern.

The TFFR plan is funded on an actuarial reserve basis. That is, money is invested for your future retirement benefits while you are actively teaching. Benefit funding comes from three sources:

- Employee contributions
- Employer contributions
- Investment earnings

TFFR serves almost 10,000 teachers from 260 employer groups and pays benefits to over 5,500 retirees and beneficiaries.

2005 LEGISLATIVE HIGHLIGHTS

- Modified retiree return to work provisions. Remove the July 31, 2005 expiration date and make permanent the option for retirees to return to TFFR covered employment full-time in critical shortage areas and continue receiving retirement benefits after a one-year waiting period.
- Re-enacted several plan provisions to comply with IRS qualification requirements.
- Modified confidentiality of TFFR records to allow a government child support enforcement agency access to member records for the purpose of establishing, modifying, or enforcing a child support obligation.



MEMBERSHIP

INDIVIDUAL MEMBERSHIP

TFFR membership begins by completing the member action form that you receive when employed by a public school or state institution in a position defined as a teacher.

Teacher Defined

- Persons who are **licensed** by the Education Standards and Practices Board (ESPB) who are **contractually employed** in teaching, supervisory, administrative, or extracurricular services by a state institution, special education unit, school board, or other governing body of a school district of this state. Also includes persons contractually employed by one of the above employers to provide services to another employer under a third-party agreement.
- Superintendents, assistant superintendents, business managers, principals, assistant principals, and special teachers employed in any state institution or in the school system of any school district in this state. Special teachers include (but are not limited to) licensed special education teachers, guidance counselors, speech therapists, social workers, psychologists, librarians, audiovisual or media coordinators, technology coordinators and other licensed staff members provided they are contracted to provide TFFR covered services.
- The superintendent of public instruction, assistant superintendents and supervisors of public instruction, except for non-teaching employees of the department who elected to transfer their retirement plan membership to PERS.
- County superintendents, the professional staff of the Department of Career and Technical Education, and the professional staff of the Division of Independent Study.
- Other persons or positions authorized in state statutes.

DUAL MEMBERSHIP

Teachers and public employees have the opportunity to use their years in public employment toward vesting and retirement eligibility.

You may qualify as a dual member if you have service credit in TFFR and the Public Employees Retirement System (PERS) or Highway Patrol Retirement System (HPRS). You may also be eligible to purchase previously refunded service credit.

For dual members, the total of all service credit earned in TFFR, PERS, and HPRS is used to determine vesting and eligibility for the Rule of 85. (Note: No more than one year of service credit will be recognized in any fiscal year for vesting and eligibility.)

Employees working multiple jobs in a school district that requires participation in TFFR and PERS will be reported to both systems based on job duties.

Examples:

Full time teacher's aide – August thru May (report to PERS) and summer school teacher – June and July (report to TFFR)

Or

Part time teacher's aide meeting PERS minimum requirements – August thru May (report to PERS) and part time teacher – August thru May (report to TFFR)

In retirement, a dual member will have the option of choosing between two methods of benefit calculation. Under the first option, any overlapped service is disregarded and the member could have their retirement benefit calculated using all years of service in each system and the final average salary from each system. Under the second option, the member could combine the salary from either or both plans to calculate final average salary, but no more than one year of service credit could be used in a fiscal year. Any overlapped service credit will be recognized by only one system and forfeited by the other.



SALARY

State statutes define salary as a member's earnings in eligible employment for teaching, supervisory, administrative, and extracurricular services during a school year reported as salary on the member's federal income tax withholding statements plus any salary reduction or salary deferral amounts under 26 U.S.C. 125, 401(k), 403(b), 414(h), or 457. Salary may not exceed the annual IRS compensation limit established under 26 U.S.C. 401(a)(17)(b).

In addition to your regular contract earnings, salary for TFFR purposes also includes pay received from your employer. Examples:

- Advisor/Director/Monitor for the following: activity funds; cheerleading; class; concession stand; drama/class plays; FCCLA/FFA; intramural sports program; lunchroom; math club; music program/pep band/jazz band/swing choir; newspaper; pep club; photography club; playground; science club; speech team; student council; yearbook staff; writers club.
- Adult education program
- After school programs
- Bonuses (service related)
- Chaperoning school events
- Coaching
- Consortium type work
- Curriculum development
- Driver's education
- Drug free school program
- Head Start program
- Indian education program
- In-service/workshop/conference attendance (not reimbursement for expenses)
- In-staff subbing
- Stipends/grants
- Summer school
- Technology coordination
- Ticket taking at school events

According to state statutes, salary does not include:

- a. Fringe benefits or side, non wage benefits which accompany or are in addition to a member's employment including insurance programs, annuities, transportation allowances, housing allowances, meals, lodging, and expense allowances, or other benefits provided by a member's employer.
- b. Insurance programs including medical, dental, vision, disability, life, long term care, workers compensation, or other insurance premiums or benefits.
- c. Payments for unused sick leave, personal leave, vacation leave, or other unused leave.
- d. Early retirement incentive pay, severance pay, or other payments conditioned on or made in anticipation of retirement or termination.
- e. Teacher's aide pay, referee pay, bus driver pay, janitorial pay.
- f. Amounts received by a member in lieu of previously employer-provided benefits or payments that are made on an individual selection basis.
- g. Recruitment bonuses.
- h. Other benefits or payments not defined above that the Board determines to be ineligible TFFR salary.

Note: These lists are not all-inclusive. Contact the administrative office if you have questions on whether payments made to teachers should be reported to TFFR.

CONTRIBUTIONS

Your TFFR retirement plan is funded by employer and employee contributions and investment earnings.

Employer Contributions

Your employer is required to pay 7.75% of the salary you earn during a school year. The monies are used to reduce the unfunded liability of TFFR and pay benefits to future retirees. Employer contributions are not refundable to the member as a lump sum.

Employee Contributions

You are assessed 7.75% of salary earned during a school year (July 1 – June 30) to help finance the various plan benefits. These include retirement, disability, and survivor benefits, or a refund upon termination of employment.

Taxation of Employee Contributions

Employee contributions can be made on a tax-deferred basis for federal and state income tax purposes under Section 414(h)(2) of the Internal Revenue Code (IRC). Payment of your contribution may be made by your employer through a salary reduction or in lieu of a salary increase. Tax-deferred employee contributions and interest are taxable to you when you receive a monthly benefit or refund.

The following models are currently available:

No Model: Employee contributions are deducted after federal and state taxes are withheld.

Model 1: Employee contributions are deducted before federal and state taxes are withheld.

Model 2: Employer pays between 1% and 7.75% of the employee contributions in lieu of a salary increase.

CONTRIBUTIONS *Continued*

Model 3: Employer pays a fixed dollar amount of the employee contributions in lieu of a salary increase. *(Beginning July 1, 2003, this model is no longer available. Employers currently using Model 3 may continue using this model.)*

Employee contributions paid by the employer under Models 2 and 3 are added to salary for retirement purposes.

Interest

Employee contributions earn interest at an annual rate of 6% which is compounded monthly (.05% per month). The rate is set by state law.

Note: The amount of money in your account is important only in the event of a lump-sum distribution (refund to member or a death payment to your beneficiary). It is not a factor in the calculation of your retirement benefit.

BENEFICIARY

All TFFR members should designate a beneficiary(ies), in writing, for the purpose of directing payment of a claim due to a member's death.

If you are married, you must name your spouse as beneficiary or provide written spousal approval to name an alternate beneficiary. If you are not married, or if you have written spousal consent, you can name any person(s), organization, church, charity, or your estate as beneficiary of your retirement account.

If you do not designate a beneficiary, death benefits (if any) will be paid to the following:

- your surviving spouse; if none,
- your surviving children; if none,
- your estate.

Certain life occurrences such as birth, death, or change in marital status, may be cause for you to consider changing your beneficiary. It is your responsibility to keep your beneficiary designation current.

CONFIDENTIALITY OF RECORDS

To protect a member's privacy, all records relating to your TFFR account, account value, retirement, disability, and survivor application and benefits are confidential and not a public record. The information and records may only be disclosed in writing to the member, or to:

- A person to whom the member has given written consent.
- A person legally representing the member.
- A person authorized by a court order.
- Your participating employer, limited to information concerning your service credit, age, contributions, and salary.
- Administrative staff of the Public Employees Retirement System for membership and benefits determination.
- State and federal agencies to validate member eligibility or employer compliance with existing state or federal laws.
- Government child support enforcement agencies to establish, modify, or enhance a child support obligation.
- Member interest groups approved by the Board, limited to information concerning a member's death.

QUALIFIED DOMESTIC RELATIONS ORDER (QDRO)

For purposes of TFFR, a QDRO is any judgment, decree, or order made in compliance with North Dakota Century Code Chapter 15-39.1-12.2 and North Dakota Administrative Code Article 82-08 relating to child support, spousal support, or marital rights affecting a TFFR member's retirement account. A sample QDRO model has been developed in conjunction with the Attorney General's office and is available from the administrative office. This model should be used in developing a QDRO. A draft of the order must be sent to the Retirement and Investment Office for approval before presenting it to a judge.

If approved, your retirement benefits will be paid in accordance with the applicable requirements of a QDRO. Although a domestic relations order may be approved before your termination or retirement, no benefits can be paid until you terminate employment or become eligible for early retirement (age 55).

The actuarial value of the amount paid to an alternate payee will reduce your benefit. The reduction takes into consideration the value of future benefits and any benefits paid to the alternate payee before your retirement.

For additional information, see the Divorce and Your TFFR Retirement Benefits brochure.

EXEMPTION FROM LEGAL PROCESS

Retirement, disability, survivor, and refund benefits can be paid to members and beneficiaries only. These benefits are exempt from liability for debts of the member and are not subject to sale, assignment, pledge, mortgage, or other alienation (exception: QDROs and IRS tax levies).

BORROWING FROM YOUR ACCOUNT

Your TFFR account does not have any loan features. State law does not permit you to borrow from or pledge your account value as collateral on a loan.

RIGHT TO APPEAL

A member has the right to appeal a TFFR Board decision. ND Administrative Code Article 82-10, Right to Formal Hearing and Appeal, outlines the process of appealing a TFFR Board decision.

FRAUD AGAINST THE FUND

Any person who knowingly makes a false statement, or falsifies or permits to be falsified any TFFR record, is guilty of theft, and is punishable under the laws of the state of North Dakota.

SERVICE CREDIT

VESTING

You must earn three years of service credit in North Dakota to become a vested member of TFFR. As a vested member, you are entitled to unreduced monthly retirement benefits at normal retirement (age 65 or Rule of 85) or reduced monthly benefits at age 55.

EARNED SERVICE CREDIT

Each year that you teach, you will earn service credit. Your employer is required to report the number of compensated hours (not to exceed 700 hours) you are employed during each fiscal year. A member cannot receive more than one year of TFFR service credit each fiscal year.

If you are employed for 700 hours or more, you will receive one year of service credit. If you are employed less than 700 hours, you will receive a fractional year of service credit calculated by dividing your compensated hours by 700. Should you take an unpaid leave of absence, your service credit earned for that year may be affected.

Fiscal Year

A school year (or fiscal year) begins on July 1 and ends on June 30 of the following year.

PURCHASE OF REFUNDED TFFR SERVICE CREDIT

Active TFFR members may purchase previously refunded TFFR service credit. The cost to purchase refunded years is the amount that was refunded plus 6% interest compounded annually if the purchase is completed within five years of returning to covered employment.

You may also purchase the refunded credit after the five year period has expired by paying the actuarial equivalent cost for the service credit. (See actuarial equivalent calculation on page 23.)

PURCHASE OF ADDITIONAL SERVICE CREDIT

Active members who meet certain conditions are eligible to purchase additional service credit for use toward retirement eligibility and benefits.

In general, service credit is not eligible for purchase if the years claimed also qualify for retirement benefits from another retirement system (exception: military service). The cost to purchase most types of additional service credit is calculated on an actuarial equivalent basis (exception: military service covered under USERRA or VRRRA). See actuarial equivalent calculation on page 23. Verification of service credit to be purchased will be required in most cases.

TYPES OF ADDITIONAL CREDIT ELIGIBLE FOR PURCHASE

Air Time – An active member who has at least five years of earned teaching service credit in TFFR may purchase credit not related to previous teaching service for use toward retirement eligibility and benefits. The purchase for such nonqualified service is limited to an aggregate of five years.

Government Agency Teaching Service – An active member may purchase credit for years of elementary or secondary teaching service if employed by an agency of the United States government.

Leave of absence – An active member may purchase service credit for time lost while on an approved unpaid leave of absence from teaching duties.

Legislative Service – An active member who serves in the ND Legislature is allowed to purchase service credit lost while in attendance at legislative sessions and/or legislative committee meetings.

As an alternative to purchasing the legislative service credit, the teacher may enter into an agreement with the employer by which payment for service credit for the time spent at each legislative session is made as though the teacher was not on a leave of absence. Under such an agreement, employee and employer contributions should be calculated based on the teacher's annual salary without reduction for a leave of absence taken by the teacher during the legislative session.

Military Service Credit – An active member who is not qualified to receive military credit under the Uniformed Services Employment and Reemployment Rights Act (USERRA) or Veterans' Reemployment Rights Act (VRRRA) and has received an honorable discharge from military service may purchase up to four years of active military service. The cost to purchase is the actuarial equivalent cost.

Members qualified to receive military credit under the USERRA or VERRA will have the purchase cost calculated using a reduced formula. To be eligible under USERRA or VERRA, you must have had your North Dakota teaching employment interrupted and been discharged from the armed services under honorable conditions. Interruption of employment means the member started active duty within 90 days after leaving covered employment with TFFR and made application for reemployment within 90 days after military discharge.

Non-Public Teaching Credit – An active member is eligible to purchase service credit for years of elementary or secondary teaching service in an accredited North Dakota private or parochial school.

Out-of-State Teaching Credit – An active member is eligible to purchase service credit for years of elementary or secondary teaching service at an accredited out-of-state public, private, or parochial school.

Professional Educational Organization Credit – An active member who is elected president of a professional educational organization recognized by the TFFR Board (such as NDEA) who serves in a full-time capacity in lieu of teaching, may purchase service credit for time spent serving as president.

As an alternative to purchasing the professional educational organization credit, the teacher may enter into an agreement with the employer by which payment for service credit for the time spent serving as president is made as though the teacher was not on a leave of absence.

GENERAL PURCHASE INFORMATION

Cost Estimate

If you are interested in purchasing service credit, contact the administrative office for a cost estimate and a projection of estimated retirement benefits both with and without purchasing service credit.

Payment Methods

You can purchase service credit in a single lump-sum payment or under an installment agreement. Installments may be made monthly, quarterly, semiannually, or annually for up to five years. Interest of 8% is charged on the unpaid balance. Your account will be credited with the purchased service credit when payment is completed. The amount paid to purchase credit becomes part of the member's account value and is reflected as employee contributions on which interest is earned. A member must complete service credit purchases before retirement.

Rollovers Allowed

TFFR may accept tax deferred money by direct rollover or trustee to trustee transfer from eligible retirement plans for the purchase of service credit. Eligible retirement plans include traditional IRAs (not Roth), and 401(a), 401(k), 403(a), 403(b), and 457 plans.

Tax Considerations

Interest charged on the purchase of service credit is not accepted by the Internal Revenue Service as being deductible on your income tax return. The interest is considered to be a part of the cost of your annuity and will not be taxable to you when drawn as a benefit.

Actuarial Equivalent Calculation

The actuarial equivalent calculation takes the following into consideration:

- current final average salary
- current and retirement age
- number of years to Rule of 85
- increase in benefits resulting from purchase
- actuarial cost factor adopted by TFFR Board

**ESTIMATED ACTUARIAL COST
TO PURCHASE SERVICE CREDIT**

Actuarial Equivalent Cost Per Year of Service						
	Age					
Salary	30	35	40	45	50	55
\$20,000	\$2,500	\$2,800	\$3,100	\$3,600	\$4,000	\$ 4,500
25,000	3,100	3,500	3,900	4,500	5,000	5,600
30,000	3,700	4,200	4,700	5,400	6,000	6,700
35,000	4,300	4,900	5,500	6,200	7,100	7,800
40,000	4,900	5,600	6,300	7,100	8,100	9,000
45,000	5,500	6,200	7,000	8,000	9,100	10,000
50,000	6,100	6,900	7,900	8,900	10,200	11,200

Employer Service Purchase

A participating employer may purchase up to three years of service credit on behalf of a member. Employers should contact the administrative office for additional information.

REFUND

REFUND/LUMP SUM DISTRIBUTION

A member who terminates covered employment is eligible for a refund (lump-sum distribution) of the account value. This consists of employee contributions paid plus 6% interest. The refundable balance does not include employer contributions or investment earnings which are used in paying retirement benefits and satisfying TFFR's unfunded liability. A refund closes a member's account and all service credit earned to that point is forfeited.

Waiting Period

There is a 120-day statutory waiting period before the refund will be issued. The waiting period may be waived if you provide evidence confirming that you will not be returning to covered employment in North Dakota within 120 days. No refund can be issued to a member who has ceased teaching for the summer months only or is on a leave of absence.

Tax Considerations

Your refund may either be paid in a direct rollover (to an IRA or another eligible retirement plan) or paid to you. The choice you make will affect the tax you owe.

TFFR is required to withhold 20% of the taxable portion of your refund if paid to you. If rolled over, it will not be taxed in the current year and no income tax will be withheld.

Contact the administrative office for important tax information on lump-sum distributions.

AUTOMATIC REFUND

Accumulated employee contributions plus interest is automatically refunded to non-vested members who cease covered employment. Payment is made to the member in the fiscal year following cessation of covered employment. However, the member may request a waiver of the automatic refund for up to 36 months.

RETIREMENT BENEFITS

TFFR is a defined benefit plan which allows members to compute their future retirement benefits from a mathematical formula defined in NDCC 15-39.1. Regardless of the investment performance of the funds, you or your beneficiaries are guaranteed to receive no less than your employee contributions plus 6% interest. This amount is your minimum guarantee (or account value). However, it is likely that you will receive much more than your account value in monthly retirement benefits, depending on your life span and the retirement option you choose.

For TFFR purposes, a member is retired after terminating covered employment in North Dakota and accepting a monthly retirement benefit. A retiring member may not be under contract to perform teaching services in North Dakota nor on a leave of absence. A member's retirement annuity is payable for life as long as you do not return to TFFR-covered employment. (See Employment After Retirement on page 35.)

A member must begin drawing retirement benefits no later than April 1 of the calendar year following the year the member reaches age 70 1/2 or terminates covered employment, whichever is later.

Most retired members are eligible to receive both TFFR retirement benefits and Social Security retirement benefits. Contact the Social Security Administration for information and exceptions at 1-800-772-1213.

BENEFIT LIMITATIONS

Benefits payable from TFFR may not exceed the maximum benefits specified under section 415 of the Internal Revenue Code (26 U.S.C. 415) for governmental plans.

ELIGIBILITY FOR BENEFITS

Normal Retirement

A member who has earned three or more years of service credit in North Dakota *and*

- is age 65 or older is eligible for unreduced retirement benefits; or
- has the Rule of 85 (combined total of years of service credit and age equals or exceeds 85) is eligible for unreduced retirement benefits. For example, age 55 plus 30 years of service credit equals 85.

Early Retirement

A member who has earned three or more years of service credit in North Dakota, and is age 55 or older is eligible for reduced retirement benefits. Early retirement benefits are reduced by 6% per year for every year the member's retirement age is less than age 65 or the Rule of 85, whichever is earlier.

For example, a member who retires at age 60 with 24 years of service credit would take a 6% reduction in benefits (from the Rule of 85) and receive 94% of the normal benefit. Or, the member could defer receiving benefits for one year to reach the Rule of 85, or if eligible, purchase one year of service credit to reach the Rule of 85.

Deferred Retirement

A vested member who leaves covered employment in North Dakota may defer receiving retirement benefits until reaching the Rule of 85, age 55, age 65, or any age in between rather than take a refund. The member retains the right to receive benefits retroactive to initial eligibility.

COMPUTING YOUR RETIREMENT BENEFITS

Your service retirement benefit is determined by a formula defined in state law. This formula multiplies years of service credit by a percentage (2.0 percent) of your final average salary. The current formula is:

$$\begin{aligned} &\text{Final Average Monthly Salary} \\ &\quad \times 2.0\% \times \text{Service Credit} \\ &= \text{Single Life Annuity} \end{aligned}$$

- Final Average Monthly Salary is one thirty-sixth of the total of your three highest annual fiscal year salaries reported to TFFR.
- Benefit multiplier is the rate established by the Legislature, at which you earn benefits. The current benefit multiplier is 2.0%.
- Service credit is the amount of TFFR service you have accumulated through work or purchase. This is reported to you each year on your Annual Statement of Account.

RETIREMENT BENEFIT WORKSHEET

You can estimate your retirement benefit by completing the following worksheet:

1. Calculate final average salary (FAS).

Select your 3 highest fiscal salaries.

Fiscal Year	Salary
_____	_____
_____	_____
_____	_____
Total Salaries	\$ _____

Divide the total salaries by 36 months.

$$\text{_____} \div 36 = \$ \text{_____} \text{ (FAS)}$$

2. Calculate single life annuity amount.

Multiply FAS by 2.0%. Then multiply by total years of credited service.

FAS \$ _____

X Multiplier .02

X Service Credit _____

Estimated Monthly
Single Life Annuity \$ _____ *

**If you have not reached normal retirement age, this amount is reduced by 6% for every year that your age is less than age 65 or the Rule of 85, whichever is earlier.*

TABLE OF MONTHLY RETIREMENT INCOME

Monthly Retirement Income						
Years of Service	Final Average Salary					
	\$20,000	\$25,000	\$30,000	\$35,000	\$40,000	\$50,000
5	\$167	\$208	\$250	\$292	\$333	\$417
10	333	417	500	583	667	833
15	500	625	750	875	1,000	1,250
20	667	833	1,000	1,167	1,333	1,667
25	833	1,042	1,250	1,458	1,667	2,083
30	1,000	1,250	1,500	1,750	2,000	2,500
35	1,167	1,458	1,750	2,042	2,333	2,917
40	1,333	1,667	2,000	2,333	2,667	3,333
Estimated benefits based on age 65 or Rule of 85 under Single Life Annuity option.						

RETIREMENT OPTIONS

Your retirement benefit is paid as a monthly lifetime annuity. The single life annuity pays you the maximum amount. However, you may select a joint and survivor or term certain option that guarantees a reduced lifetime benefit to you and a lifetime or term certain benefit to your beneficiary(ies).

- All optional plan amounts are derived from the benefit formula and actuarial tables. The tables on pages 48 through 51 will provide you with approximate reduction percentages.
- A married member's spouse, if designated as beneficiary, must consent in writing to the retirement option elected by the member. If spousal consent is not obtained, the form of benefit payment will be the 50% joint and survivor option.
- Under the joint and survivor options, your benefit pops up to the higher single life plan if your beneficiary precedes you in death or a divorce grants you sole ownership of your retirement benefits. Upon remarriage, you can re-elect a joint and survivor option. Under the single life plan, ten and twenty-year term certain and life options, if a retiree marries, the retiree may also elect an option change to a joint and survivor option. The retiree must provide proof of the retiree's good health and the new beneficiary's proof of age. The monthly benefit will also be actuarially adjusted based on the new beneficiary's age.
- If you name more than one beneficiary, the joint and survivor options are not available for retirement, disability, or survivor benefits.
- If the 100% joint and survivor plan is selected and the beneficiary is not the spouse, the beneficiary must be no more than ten years younger than the member.

Single Life Annuity

The single life annuity amount is payable to you for life. There is no monthly provision for your beneficiary(ies) under this option. However, should you die before receiving your account value, your beneficiary(ies) will receive a lump-sum payment of the balance.

100% Joint and Survivor Annuity

The single life annuity amount is actuarially reduced (based on your age and your designated beneficiary's age) to the percentage found in Table 1, page 48, and is payable to you for life. At your death, your designated beneficiary will receive 100% of your monthly benefit for the rest of the beneficiary's life.

50% Joint and Survivor Annuity

The single life annuity amount is actuarially reduced (based on your age and your designated beneficiary's age) to the percentage found in Table 2, page 49, and is payable to you for life. At your death, your designated beneficiary will receive 50% of your monthly benefit for the rest of the beneficiary's life.

Ten-Year Term Certain and Life Annuity

The single life annuity amount is actuarially reduced (based on your age) to the percentage found in Table 3, page 50, and is payable to you for life. If you die within ten years (120 months) of your retirement date, your designated beneficiary(ies) will continue to receive monthly benefits of the same amount until the end of the ten-year period.

Twenty-Year Term Certain and Life Annuity

The single life annuity amount is actuarially reduced (based on your age) to the percentage found in Table 4, page 50, and is payable to you for life. If you die within twenty years (240 months) of your retirement date, your designated beneficiary(ies) will continue to receive monthly benefits of the same amount until the end of the twenty-year period.

Level Income with Social Security Option

The annuity amount is actuarially supplemented with a percentage of your projected Social Security benefits found in Table 5, page 51. At the pre-selected age (62 or normal Social Security age), your monthly TFFR retirement benefit will be reduced for life by the full amount of the Social Security benefit you estimated at retirement regardless of the actual amount you receive from Social Security. This option allows a retiree to receive a higher retirement benefit from TFFR until the retiree is eligible for Social Security benefits.

To apply for the level income option, you must provide TFFR with a current written estimate of Social Security benefits (using your age when you retire from teaching and no estimated future earnings).

Partial Lump Sum Option

Members eligible for normal retirement (age 65 or Rule of 85) may receive a lump sum cash payment in exchange for an actuarially reduced benefit. The lump sum payment equals 12 times the amount of the single life annuity and is payable at the same time the monthly retirement annuity begins. If you select a joint and survivor or term certain option, your benefit will be reduced for the additional beneficiary coverage.

The taxable portion of the lump sum cash payment will be eligible to rollover to an IRA or another eligible retirement plan.

This option is not available to members who select the level income option, members receiving disability benefits, or to beneficiaries of deceased members.

HOW TO APPLY FOR BENEFITS

Contact a TFFR Benefits Counselor to calculate benefit options and amounts. Then, complete a Notice of Termination form and submit to the administrative office along with copies of the following documents:

- proof of age – birth or baptismal certificate, military discharge, or passport.
- proof of beneficiary's age – if you select a joint and survivor option
- teaching contract for current school year – include any extracurricular activity pay or additional salary.
- early retirement incentive agreement or letter of resignation and acceptance by employer.
- Social Security benefit estimate – if interested in the level income option.

Please notify the administrative office of your intent to retire 60-90 days before your last day of employment to allow sufficient time to process your claim.

ENROLLMENT FOR BENEFITS

After you have submitted the Notice of Termination form, TFFR will review your salaries and service credit and may contact your employer for salary verification. To avoid a delay in your first retirement benefit, TFFR will use the salary information you submit to estimate your final salary and service credit.

Retirement enrollment forms will be prepared using the estimated salary information and sent to you for completion. Upon our receipt, your retirement benefits will begin on the first of the month of eligibility or retroactively. If the final salary, service credit, and/or last date of employment reported by your employer is different than the estimated information, your monthly benefit may be adjusted.

PAYMENT OF BENEFITS

Your retirement date will be on the first or fifteenth day of the month following your last date of employment or eligibility for benefits. Actual payment of benefits will be on the first day of each month and may be paid retroactive to your retirement date.

Direct deposit (electronic fund transfer) is the required method of payment for new retirees. It is a safe, fast, and cost effective method of receiving your monthly benefit.

If any change or error in the records of TFFR or any participating employer or error in any calculation results in a member receiving more or less in benefits than they are entitled to receive, the Fund reserves the right to correct the error and adjust the benefit.

TAXATION OF BENEFITS

Annuity benefits you receive from TFFR are subject to federal and state income tax. The taxable and nontaxable portion of your monthly benefit is calculated under the IRS Simplified General Rule. We will determine your taxable income and transmit the information to you annually on a 1099-R tax form.

Federal and North Dakota state income tax may be withheld from your monthly benefit. A W-4P tax form is included with your retirement forms to notify you of your income tax withholding options.

PERS GROUP INSURANCE

Retired members who are receiving a monthly benefit from TFFR may be eligible to participate in the North Dakota Public Employees Retirement System (PERS) group insurance programs. These include:

- health insurance (Dakota Plan)
- dental insurance
- long-term care insurance
- vision insurance

In order to be eligible to join the PERS Group Insurance Plans, you must apply within 31 days from the date following any “qualifying events.” Long-term care insurance eligibility requirements may differ.

The monthly premiums can be deducted from your TFFR pension check or bank account. For a definition of the qualifying events and rates, contact the PERS office at 328-3900 or 1-800-803-7377.

EMPLOYMENT AFTER RETIREMENT

After you retire, you may return to TFFR covered employment under certain employment limitations. The limits apply to TFFR covered employment which includes teaching, supervisory, and administrative services in a ND public school or state institution covered by TFFR except for extra curricular duties and professional development. The limits **do not** apply to:

- substitute teaching (non-contracted)
- teaching in public colleges and universities
- teaching in private schools
- employment outside of education
- employment outside of North Dakota

Keep in mind, in order to be eligible to retire and receive TFFR monthly retirement benefits, you must resign from your position and complete the necessary TFFR paperwork. Then, after the applicable waiting period, should you decide to return to work, both you and your employer must notify

EMPLOYMENT AFTER RETIREMENT

Continued

TFFR by completing a TFFR Retired Member Employment Notification form within 30 days of your employment.

Failure to notify TFFR that you have returned to TFFR covered employment will result in the loss of annuity benefits. Notification must be in writing.

Because of the impact returning to work could have on your TFFR retirement benefits, we strongly encourage you to contact our office to discuss all of your options. The following is a short description of retiree re-employment alternatives.

- **General Rule – Annual hour limit**

After 30 days elapse from your retirement date, you may return to TFFR covered employment for a maximum number of hours in a fiscal year (July 1 - June 30). You will continue to receive your monthly retirement benefits; employer and employee contributions will not be paid to TFFR; and your monthly TFFR benefit amount will not be affected.

The annual hour limit is based on the length of employment.

9 month contract =	700 hours
10 month contract =	800 hours
11 month contract =	900 hours
12 month contract =	1,000 hours

- **Exception A – Critical Shortage Area**

You may return to TFFR covered employment in an approved critical shortage area and exceed the annual hour limitation without losing your retirement benefits. If you retired prior to January 1, 2001, no waiting period is required. However, if your retirement date is after January 1, 2001, a one-year waiting period is required before you can consider this option. You may perform non-contracted substitute teaching during the one-year waiting

EMPLOYMENT AFTER RETIREMENT

Continued

period. Critical shortage areas will be determined each year by the Education Standards and Practices Board (ESPB) by rule. Each year, you must re-apply for this exception and receive verification that it remains a critical shortage area. Like the General Rule, you will continue to receive your monthly retirement benefits, employer and employee contributions will not be paid to TFFR, and your monthly TFFR benefit amount will not be affected.

- **Exception B –
Benefit Suspension and Recalculation**

After 30 days elapse from your retirement date, you may return to TFFR covered employment and exceed the annual hour limitation. Under this option, your TFFR benefits will be suspended the first of the month following the month you reach the annual hour limit. At that time, employer and employee contributions must be paid on any salary earned after the annual hour limit based on your employer's TFFR payment model. Upon your re-retirement, your benefits will be recalculated. If you re-retire with:

- less than 2 years of additional earned service credit – receive discontinued benefit plus benefit increases granted during the benefit suspension and a refund of any additional employee contributions paid plus interest.
- 2-5 years – greater of the discontinued annuity, plus additional years at the new multiplier, plus benefit increases granted during the suspension **or** all the years recalculated at the new multiplier, less an actuarial offset for the amount of benefits already paid.
- 5 or more years – greater of the calculation above or the retirement benefit recalculated using all the years at the new multiplier with no actuarial offset.

POSTRETIREMENT BENEFIT INCREASES

The TFFR retirement plan does not contain provisions for automatic cost of living adjustments to retirement benefits. However, ad hoc benefit increases may be made if approved by the Legislature.

DISABILITY RETIREMENT

ELIGIBILITY FOR BENEFITS

If you become disabled, you may be entitled to monthly disability retirement benefits if the following conditions are met:

- one or more years of service credit in North Dakota.
- employed by a TFFR employer at the time of disability.
- application must be filed within 36 months from the last day of employment.
- medical condition can be either temporary or permanent, but must last for 12 months or more.
- disability must be “total” and result in the member's inability to perform the duties of a teacher.
- certified eligible by the TFFR Board.

COMPUTING YOUR BENEFITS

The disability benefit is calculated using the retirement formula without reduction for age and assuming the member has a minimum of 20 years of service credit. Joint and survivor or term certain options are available.

Example:

Teacher A is age 35 with 10 years of service credit.

Final average monthly salary is \$2,000.

Calculation: $\$2,000 \times 20 \text{ years} \times 2.0\% =$
\$800 month Single Life Annuity Disability benefit.

Teacher B is age 50 with 25 years of service credit.

Final average monthly salary is \$2,000.

Calculation: $\$2,000 \times 25 \text{ years} \times 2.0\% =$
\$1,000 month Single Life Annuity Disability benefit.

Contact the administrative office for additional information and forms to apply for disability retirement benefits.



SURVIVOR BENEFITS

ELIGIBILITY FOR BENEFITS

Survivor benefits are payments made by TFFR to a beneficiary(ies) of a deceased member. The benefit to a qualified survivor may be a lump-sum refund of your account value or a monthly payment.

The following are eligible for survivor benefits on your account:

- designated beneficiary; if none,
- surviving spouse; if none,
- surviving children; if none,
- estate.

All TFFR members should designate a beneficiary in writing for the purpose of directing payment of a claim due to death. If you are married, your spouse must be your beneficiary unless you have provided written spousal approval to name an alternate beneficiary. If you are not married, or if you have written spousal consent, you can name any person(s), organization, church, charity, or your estate, as beneficiary of your retirement account. However, if more than one beneficiary is named, they are not eligible to receive a monthly annuity for life.

***Note:** In all cases, a minimum payout equal to the member's account value is guaranteed.*

DEATH PRIOR TO RETIREMENT

When a member's death occurs prior to retirement, the following options are available to the beneficiary/survivor:

Death with less than three years of service credit:

- refund of employee's contributions plus interest.

Death with more than three years of service credit:

- refund of employee contributions plus interest;
- monthly annuity for life in accordance with the 100% joint and survivor option (not available if more than one beneficiary is named); or
- 60 monthly annuity payments equal to the member's single life annuity without reduction for age.

If multiple beneficiaries are named, all beneficiaries must select the same survivor payment option.

DEATH AFTER RETIREMENT

When a member's death occurs after retirement, the following benefits are paid to the beneficiary/survivor:

- Single Life Annuity – balance of account value, if any.
- 100% Joint and Survivor – 100% of the monthly annuity to continue to the beneficiary named at retirement.
- 50% Joint and Survivor – 50% of the monthly annuity to continue to the beneficiary named at retirement.
- 10 and 20 Year Term Certain – remainder of the guaranteed term-certain payments, if any.
- Level Income – the increased level benefit amount until the member's level income age, or the reduced amount after the member would have reached the level income age.

INVESTMENT OF FUNDS

PRUDENT INVESTOR RULE

Employee and employer contributions are invested under the direction of the State Investment Board (SIB) using the Prudent Investor Rule.

The Prudent Investor Rule means that in making investments, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation, but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income.

EXCLUSIVE BENEFIT

State statutes require the retirement funds belonging to TFFR be invested exclusively for the benefit of TFFR members and in accordance with the TFFR Board's investment goals and objectives.

ASSET ALLOCATION

Diversification of the investments to the various asset classes (equity, fixed income, and real estate) must be determined by the TFFR Board of Trustees. The staff and consultants of the Retirement and Investment Office (RIO) are used to assist in determining the proper allocation.

The current TFFR asset allocation plan is as follows:

Domestic Equity - Large Cap	30%
Domestic Equity - Small Cap	10%
International Equity	20%
Emerging Markets Equity	5%
Alternative Investments	5%
Domestic Fixed Income	7%
High Yield Bonds	7%
International Fixed Income	5%
Real Estate	9%
Cash Equivalents	<u>2%</u>
Total	100%

MEMBER SERVICES

The RIO staff offers many services as part of the continuing effort to keep members informed about their retirement program. All services are furnished without charge. Employers and/or members may contact the administrative office to schedule the various outreach programs.

For ADA compliance, appropriate auxiliary aids and services can be made available to ensure effective communication with all members. All printed materials can be made available in alternate formats. Contact the administrative office should you require these services.

ANNUAL STATEMENT

Each year, you will receive an annual statement of your account. The information reported on the statement includes your beneficiary on file, accumulated service credit, value of account, service credit earned during the current fiscal year, annual salary reported, and other information pertinent to your account. The statement also includes retirement, survivor, and disability benefit estimates to assist you in your retirement planning.

Your annual statement is usually mailed after the beginning of the school year. Review this statement to ensure the information maintained in your file is accurate and is being properly reported.

PUBLICATIONS

A TFFR Member Handbook is updated and distributed to all members when material plan changes occur. It is also sent to all new members of the plan. This booklet provides an overview of the benefits available to you and your beneficiary(ies) in the form of retirement, disability, and survivor income.

A Member Services Directory is published each year to provide a schedule of all outreach programs available to members. This directory is included with your annual statement.

Individual brochures are available on the following topics: retirement benefits, disability retirement benefits, survivor benefits, refund or retirement annuity, purchasing service credit, retiree re-employment, and divorce.

RIO also publishes a comprehensive annual financial report of the system's financial and actuarial condition.

To supplement these publications, member newsletters report legislative changes and other items of interest to TFFR members. The *Report Card* newsletter is sent twice each year to active and inactive members. *Retirement Today* is sent twice each year to retired members. In addition, *Your Vested Interest*, an investment newsletter, is sent to all members twice each year.

Copies of all publications are available at the administrative office and on our website at www.nd.gov/rio.

CONFERENCES & GROUP PRESENTATIONS

Staff members are available for questions and information at the ND Education Association (NDEA) and ND Council of Educational Leaders (NDCEL) conferences each fall as well as during other conventions throughout the year.

Speakers are also available to present general retirement information at your school. Contact the administrative office to arrange a group presentation.

PRERETIREMENT PROGRAM

Comprehensive preretirement seminars are offered to all members to assist them in preparing for retirement. The statewide seminars include information on TFFR pension benefits, social security benefits, health insurance options, financial planning, and estate planning.

BENEFITS COUNSELING PROGRAM

Statewide Counseling Sessions

Benefits Counselors travel throughout the state to conduct individual benefits counseling sessions. The program features private 30-minute appointments with members to discuss individual benefits and other personal retirement concerns. Counseling locations can be viewed on our website.

Office Visits

Members are also invited to visit the Bismarck office to discuss their individual retirement records. Counselors are available during office hours (Monday through Friday from 8 a.m. to 5 p.m.). Please schedule your appointment in advance to ensure that a counselor is available to meet with you.

FINANCIAL PLANNING PROGRAM

Financial planning seminars can also be arranged for members. This seminar stresses the importance of early planning for future financial security. Topics covered include TFFR pension benefits, financial planning, and estate planning.

RETIREMENT 101

This program is geared to new North Dakota teachers. Retirement 101 covers TFFR basics and provides new teachers the opportunity to ask questions about their retirement account.

TEACHERS IN TRANSITION PROGRAM

A specialized counseling program and group presentation is offered to TFFR members whose school may be facing closure or consolidation. It is designed to provide information about the retirement options available to members leaving TFFR-covered employment.

TELEPHONE & WRITTEN COMMUNICATION

A nationwide toll-free telephone number (1-800-952-2970) is available for the convenience of members and retirees calling the administrative office. RIO staff may also be reached by email at rio@state.nd.us. Remember, personal information cannot be obtained over the telephone or via email due to confidentiality of records.

Members who prefer to write may address inquiries to the Member Services Division.

WEB SITE www.nd.gov/rio

The site includes information about our agency, the TFFR Board, legislation, investments, membership and employer information, plan benefits, benefit calculator, service purchase calculator, publications, forms, and much more.

Table 1 – 100% Joint & Survivor Annuity

MEMBER'S AGE	BENEFICIARY'S AGE														
	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65
50	95	95	95	95	95	95	96	96	96	96	96	96	97	97	97
51	94	94	94	95	95	95	95	95	96	96	96	96	96	96	97
52	93	94	94	94	94	94	95	95	95	95	95	96	96	96	96
53	93	93	93	94	94	94	94	94	95	95	95	95	95	96	96
54	92	93	93	93	93	93	94	94	94	94	95	95	95	95	95
55	92	92	92	92	93	93	93	93	94	94	94	94	95	95	95
56	91	91	91	92	92	92	92	93	93	93	93	94	94	94	94
57	90	90	91	91	91	92	92	92	92	93	93	93	93	94	94
58	89	90	90	90	90	91	91	91	92	92	92	93	93	93	93
59	88	89	89	89	90	90	90	91	91	91	92	92	92	92	93
60	88	88	88	88	89	89	89	90	90	90	91	91	91	92	92
61	87	87	87	87	88	88	88	89	89	90	90	90	91	91	91
62	85	86	86	86	87	87	88	88	88	89	89	89	90	90	91
63	84	85	85	85	86	86	86	87	87	88	88	88	89	89	90
64	83	83	84	84	85	85	85	86	86	87	87	87	88	88	89
65	82	82	83	83	83	84	84	84	85	85	86	86	87	87	88

Table 2 – 50% Joint & Survivor Annuity

MEMBER'S AGE	BENEFICIARY'S AGE														
	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65
50	97	97	97	97	98	98	98	98	98	98	98	98	98	98	98
51	97	97	97	97	97	97	98	98	98	98	98	98	98	98	98
52	97	97	97	97	97	97	97	97	97	98	98	98	98	98	98
53	96	96	97	97	97	97	97	97	97	97	97	98	98	98	98
54	96	96	96	96	96	97	97	97	97	97	97	97	97	98	98
55	96	96	96	96	96	96	96	97	97	97	97	97	97	97	97
56	95	95	96	96	96	96	96	96	96	97	97	97	97	97	97
57	95	95	95	95	95	96	96	96	96	96	96	96	97	97	97
58	94	95	95	95	95	95	95	95	96	96	96	96	96	96	97
59	94	94	94	94	95	95	95	95	95	95	96	96	96	96	96
60	93	94	94	94	94	94	94	95	95	95	95	95	96	96	96
61	93	93	93	93	94	94	94	94	94	94	95	95	95	95	95
62	92	92	93	93	93	93	93	94	94	94	94	94	95	95	95
63	91	92	92	92	92	93	93	93	93	93	94	94	94	94	95
64	91	91	91	91	92	92	92	92	93	93	93	93	94	94	94
65	90	90	90	91	91	91	91	92	92	92	92	93	93	93	93

Table 3
10 Year Term
Certain Annuity

Age	Reduced to:
50	99.37%
51	99.29
52	99.21
53	99.13
54	99.04
55	98.94
56	98.83
57	98.70
58	98.57
59	98.41
60	98.24
61	98.04
62	97.81
63	97.55
64	97.24
65	96.89
66	96.49
67	96.03
68	95.50
69	94.90
70	94.22

Table 4
20 Year Term
Certain Annuity

Age	Reduced to:
50	97.82 %
51	97.59
52	97.34
53	97.06
54	96.76
55	96.42
56	96.04
57	95.62
58	95.15
59	94.63
60	94.04
61	93.38
62	92.65
63	91.82
64	90.91
65	89.90
66	88.79
67	87.57
68	86.23
69	84.79
70	83.24

Table 5
Level Income Option

TFFR Retirement Age	Percent of Estimated Social Security Using the Single Life Annuity Option	
	Age 62	Normal Retirement Age for SS
53	43%	26%
54	47%	28%
55	52%	31%
56	56%	34%
57	62%	37%
58	68%	41%
59	74%	45%
60	82%	49%
61	90%	54%
62	N/A	60%
63	N/A	66%
64	N/A	73%
65	N/A	80%
66	N/A	89%

Example:

Calculation of Level Income Supplement

TFFR Retirement Age 55

Estimated Social Security

Benefit = \$800 at age 62

$\$800 \times 52\% = \416

Calculation of TFFR Single Life Annuity

Single Life Annuity Non-Level Income \$ 1,000

Level Income Supplement + 416

Level Income Single Life Annuity
(before age 62) \$ 1,416

At age 62 TFFR annuity is reduced by

Level Income Single Life Annuity - 800

(after age 62) \$ 616

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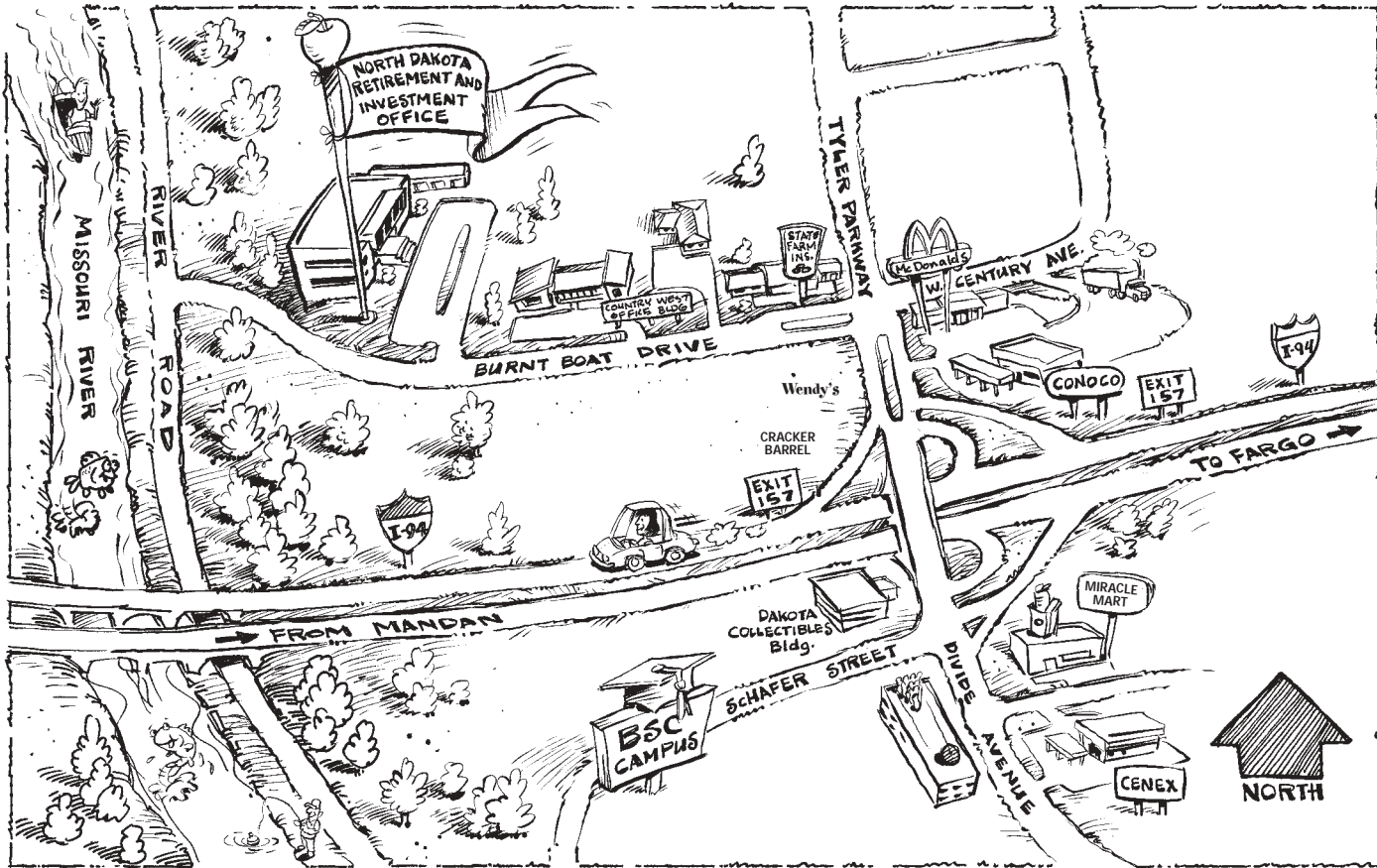
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WHERE ARE WE?



**NORTH DAKOTA
RETIREMENT AND
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